

Message Text

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ORIGIN EA-10

INFO OCT-01 ISO-00 EB-07 PM-03 NSC-05 SP-02 SS-15 AID-05

L-02 CIAE-00 INR-07 NSAE-00 DODE-00 COME-00 TRSE-00

OMB-01 MC-02 /060 R

DRAFTED BY EA/TB:GBROBERTS:LRR

APPROVED BY EA - ROBERT H. MI-LER

EA/RA - COL. BAILEY

EB/IFD/ODF - MS. STOCKER

PM/MC - MR. FEMINELLA

S/S - FORTIZ

NSC - MR. SMYSER

DOD/ISA - LT. COL. KING (INFO)

----- 046570

R 311627Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY RANGOON

S E C R E T STATE 071923

E.O. 11652: GDS

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TAGS: MILI, MASS, BM

SUBJECT: PROPOSED BURMESE PURCHASE OF ARMORED CARS

REF: A. RANGOON 210; B. STATE 59027; C. RANGOON 731

1. THE DEPARTMENT HAS DISAPPROVED THE APPLICATION FOR AN EXPORT LICENSE BY CADILLAC GAGE TO SELL NINE V-150 COMMANDO ARMORED CARS TO BURMA.

2. IN REACHING THIS DECISION, WE TOOK INTO CONSIDERATION AND APPRECIATED THE COGENT, BALANCED ANALYSIS OF THIS POLICY PROBLEM PRESENTED IN RANGOON 210. WE SAW THE FOLLOWING AS POSSIBLE OPTIONS:

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(A) APPROVE THE EXPORT LICENSE.

(B) DENY THE LICENSE.

(C) DENY THE LICENSE, BUT SEE THAT CADILLAC GAGE AND THE BURMESE GOVERNMENT ARE INFORMED SIMULTANEOUSLY, WITH THE BURMESE ALSO BEING TOLD OF OUR DECISION TO SELL THEM T-33'S AT AN ADVANTAGEOUS PRICE.

3. WE SELECTED OPTION C.

4. BEGIN FYI: THIS HAS BEEN A FAIRLY CLOSELY-BALANCED DECISION. WE TOOK THE FOLLOWING CONSIDERATIONS INTO ACCOUNT:

(A) BY REFUSING THE SALE, WE HOPEFULLY WILL MAKE CLEAR TO THE BURMESE -- BUT BY IMPLICATION ONLY, SINCE OUR REFUSAL WOULD BE ON THE GROUNDS THAT IT WAS NOT APPROPRIATE FOR US TO SELL BURMA CERTAIN KINDS OF MILITARY EQUIPMENT -- OUR DISTASTE FOR THE GUB'S GROWING PRIMARY RELIANCE ON REPRESSIVE SECURITY MEASURES AS A MEANS TO COPE WITH INTENSIFYING SOCIAL AND POLITICAL PRESSURES. OUR REFUSAL WOULD ALSO HOPEFULLY CARRY THE IMPLICATION THAT WE PREFER THAT THE GUB BUCKLE DOWN TO GRAPPLE WITH THE HARD, SUBSTANTIVE ECONOMIC PROBLEMS BEHIND THESE SOCIAL AND POLITICAL PRESSURES.

(B) TO REINFORCE THIS POINT IMPLICIT IN OUR REFUSAL, WE ARE PREPARED TO CONSIDER THE EXTENT TO WHICH WE MIGHT COOPERATE WITH AN INTERNATIONAL AID CONSORTIUM FOR BURMA THAT WOULD BE ORGANIZED IN CONJUNCTION WITH THE NEW MEDIUM-TERM ASSISTANCE PROGRAM WHICH THE IMF IS NOW CONSIDERING FOR BURMA (REF B). IT WOULD NOT MAKE SENSE -- AND WOULD ONLY REDUCE WHATEVER CREDIBILITY WE HAVE WITH THE GUB -- WERE WE TO TRY TO SHIFT THE BALANCE FROM REPRESSIVE SECURITY CONTROLS TO ECONOMIC REFORM WHILE AT THE SAME TIME WE WERE REFUSING TO SUPPORT IN SOME WAY BURMA'S EFFORTS TO DO SOMETHING ABOUT ITS ECONOMIC PROBLEMS.

(C) OUR REFUSAL TO SELL THE ARMORED CARS SHOULD NOT, AS THE EMBASSY POINTED OUT, DEPRIVE THE GUB OF THE SECURITY SECRET

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CAPABILITY NEEDED TO PRESERVE A MODICUM OF STABILITY IN URBAN AREAS. WE AGREE WITH THE EMBASSY, HOWEVER, THAT WITHOUT THE CADILLAC GAGE CARS THAT THE BURMESE COULD BE FORCED TO TURN TO OTHER-COUNTRY SUPPLIERS OR TO RELY ON MORE LETHAL RIOT-CONTROL MEASURES.

(D) WHATEVER ADVERSE BURMESE REACTION TO OUR REFSUAL TO SELL THEM ARMORED CARS SHOULD BE EASED BY BURMA'S RENEWED

INTEREST IN PROCURING EXCESS USAFT-33'S. WE ARE PREPARED TO PURSUE THIS TRANSFER WITH THE GUB SERIOUSLY.

(E) REFUSAL TO SELL THE ARMORED CARS WILL BE IN ACCORD WITH CONGRESSIONAL CONCERN ON THE HUMAN RIGHTS ISSUE, ESPECIALLY IN THE WAKE OF THE WELL-PUBLICIZED JUNE AND DECEMBER RIOTS IN RANGOON LAST YEAR. END FYI.

5. ACCORDINGLY, YOU SHOULD APPROACH THE BURMESE AND TELL THEM OF OUR DECISION NOT TO ISSUE AN EXPORT LICENSE FOR THE ARMORED CARS. YOU SHOULD FURTHER INFORM THEM

OFFICIALLY, HOWEVER, OF THE AVAILABILITY OF THE T-33'S. WE DO NOT WANT THE BURMESE TO THINK THAT WE ARE TOTALLY UNRESPONSIVE TO THEIR NEEDS.

6. IN ORDER FOR YOU TO HAVE TIME TO MAKE THE APPROACH OUTLINED IN THE FOREGOING PARAGRAPH, WE PLAN TO INFORM CADILLAC GAGE OF OUR DECISION TWO DAYS AFTER THIS TELEGRAM IS SENT. KISSINGER

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NNN

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